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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4920
INFO RUEHAC/AMEMBASSY ASUNCION 3965
RUEHBO/AMEMBASSY BOGOTA 2417
RUEHBU/AMEMBASSY BUENOS AIRES 1484
RUEHBR/AMEMBASSY BRASILIA 0898
RUEHCV/AMEMBASSY CARACAS 2090
RUEHPE/AMEMBASSY LIMA 6173
RUEHMN/AMEMBASSY MONTEVIDEO 4395
RUEHQT/AMEMBASSY QUITO 2359
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000443

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - MAY 8

Leading Stories

1. The Saieh family holding bought 20% of the Ripley department store for an estimated US\$170 million. The Saieh holding already owns a supermarket chain (Unimark) and six malls. The Central Bank lowered the interest rate to 1.25%.

U.S.-Related News

2. Ambassador Simons said he and Minister Fernandez had talked "a little about the Summit of the Americas... the very good relationship established between Presidents Bachelet and Obama... and the first 100 days of the Obama administration, which have been very fruitful for relations between the United States and Latin America." Simons also underscored the "excellent state" of the bilateral relationship with Chile and the "good climate" for the relationship between the United States and Latin America since the arrival of Barack Obama at the White House (La Nacion, 5/8).

3. After a meeting with Foreign Affairs Minister Mariano Fernandez, Ambassador Paul Simons was asked about Chile's acquisition of F16s from Holland, given that the U.S. Congress must approve the sale of all U.S. manufactured military material. "I don't have any information about this, but I don't believe there is a reason to be concerned," said Simons (La Segunda, conservative, afternoon, circ. 33,000, 5/7; La Nacion, government-owned, editorially independent, circ 4,200, 5/8).

4. PAS placement: Op-ed by Deputy Chief of Mission Carol Urban, "Intellectual Property: Synonym of Innovation" (Diario Financiero, business and financial daily, circ. 30,000, 5/8).

Chavez to Visit Chile

5. The Foreign Ministry announced that President Hugo Chavez is expected to visit Chile June 14-15 (Las Ultimas Noticias, leading-circulation, popular, circ. 140,000, 5/8).

Local Economy

6. Chile's foreign investment dropped 67% during the first quarter of this year compared to the last quarter of 2008. The main reason is the postponement of investment in retail projects, where the priority is to ensure stability rather than open new stores (La Nacion, 5/8).

7. Barrick Gold announced the beginning of the Pascua Lama project

in September. Pascua Lama will be the largest gold and silver mine in the country. It's a Chile-Argentina project, the first of its kind worldwide, and will require an initial investment of up to US\$43 billion. The project is expected to produce 750,000 ounces of gold and 35 million of ounces of silver during the first five years (La Tercera, conservative, independent, circ. 101,000, 5/8).

Chile- Peru

¶8. Foreign Minister Mariano Fernandez said Chile's talks with Holland to buy F16s are part of Chile's technological renewal, rebutting his Peruvian counterpart's allusion to an arms race (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 5/8).

Corruption

¶9. The Investigation's Police (PDI) Money Asset Brigade confiscated accounting documents and a computer owned by former Defense Minister Patricio Rojas. This action is part of the bribery investigation related to the Mirage airplane purchase from Belgium in the late 1990s (El Mercurio, 5/8).

Indigenous Affairs

¶10. The Prosecutor's Office in Concepcion requested Interpol issue an international arrest warrant against Mapuche activist Hector Llaitul for his participation in the armed attack against prosecutor Mario Elgueta in October 2008 (La Tercera, 5/8).
SIMONS